



Brussels,
[agri.e.3\(2022\)3644250](https://agri.e.3(2022)3644250)

MINUTES OF THE MEETING OF THE CDG HORTICULTURE, OLIVES AND SPIRITS - FRUIT, VEGETABLES AND FLOWERS SECTOR

*Meeting via videoconference (Interactio)
on 8 April 2022*

Chair: DG AGRI E.2

Delegations present: All Delegations present, except Bureau Européen des Unions des Consommateurs (BEUC), European Council of Young Farmers (CEJA), European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT), European Forum on Nature Conservation and Pastoralism (EFNCP), European Liaison Committee for Agriculture and agri-food trade (CELCAA), European Public Health Alliance (EPHA), Stichting BirdLife Europe (BirdLife Europe), TomatoEurope

1. Approval of the agenda and of the minutes of previous meeting

The agenda was approved without changes.

2. Nature of the meeting

The meeting was non-public and was web-streamed with interpretation.

Language regime: FR-DE-EN-IT-ES-PL to FR-DE-EN-IT-ES-PL.

3. List of points discussed

a. Market situation

- 1) General overview of the F&V market situation in the EU, including the impact of the Belarus embargo and Russia-Ukraine conflict**
- 2) Rising costs in the supply chain: production input, fertilisers, energy, logistics**

The Commission presented the market situation in the fruit and vegetables (F&V) with the latest available data concerning prices and trade flows. The Commission highlighted the challenging market situation for the F&V sector (and all agricultural sector) due to i) the ongoing conflict which is expected to result in lower exports and higher imports hence expected to cause oversupply in the market and pressure on producers' prices; ii) raising input costs which will further dent the sector's margins in a context of slowdown

in consumption. The current difficulties come on top of the Belarus import ban as of 1st January 2022 for an initial period of 6 months potentially affecting EU apples and pears. The Commission reminded that the sector is eligible to the exceptional market measures adopted in March 2022 under Article 219 which would allow MS to help the most affected sectors. The Commission also gave the current state of play of the geopolitical situation in Belarus, Russia and Ukraine.

Sector representatives confirmed the situation presented and also highlighted inter-alia that i) very recent cold spells in Spain and France might affect summer fruits and almonds (too early to quantify the damages for the moment) and ii) the need to scrap the 5.6% anti-dumping measure on fertilisers to somewhat alleviate the cost of fertilisers.

b. Update on implementation of the CAP Reform, including transitional rules, overview of measures for f&v in national strategies, adaptation of the secondary legislation regarding f&v and eligible actions regarding climate and environment

The Commission services presented an update of the CAP Reform on:

- the transitional rules applying to operational programmes in the year 2022 in light of Regulation (EU) 2021/2115 and of Article 5(4) and (6) of Regulation (EU) 2021/2117;
- the overview of the types of interventions claimed by Member States in the SFC 2021 database for the next period 2023-2027; and,
- the main elements of the secondary legislation (i.e. Delegated Regulation (EU) 2022/126, in particular on Articles 11 (investments) and 12 (interventions related to agri-environment-climate objectives) and on some elements relating to the draft Regulation amending Regulation (EU) 2022/126, with a particular focus on the provisions regarding the maximum level of Union financial assistance for market withdrawal for free distribution (e.g. processing costs (Articles 26 and 27 of Delegated Regulation (EU) 2022/126)).

c. Green Deal and Farm to Fork Strategy

1) Towards an insecticide-free orchard: Agro-ecological practices to control apple insect pests

The API-Tree project started in 2017 with a consortium of 10 partners across Europe. This project suggested that we design a pest-suppressive agroecosystem. This entails making it difficult for pests to be in the same space and time-frame as pest-susceptible tree organs and creating conditions that promote pests-natural enemies.

Such an innovative design is built by selecting practices related to the enhancement of plant diversity (mixed cultivars, cover crops, introduction of companion plants etc.), to soil and tree management (cultural practices) and to the design of agroecological infrastructure (habitat management to provide pests' natural enemies with food resources and shelter, push-pull plant assemblages etc.)

Both a holistic approach taking into account the whole orchard-pest complex and a focus on aphids in apples trees were used. The practices above listed were tested during the last

four years. An experiment combining all those levers in a pesticide-free orchard is underway in INRAE Gotheron experimental unit, France.

2) Revision of the Directive on the sustainable use of pesticides

The Commission gave an update on the progress of the Sustainable Use of Pesticides legislation which is deferred to a launch before summer due to the need for legislation on food security and Ukraine. The ambitions and intentions are not diminished by this necessary delay. The Commission could not present details of the proposed regulation for this reason but presented some of the main policy options, which were focussed on alignment with the Farm To Fork ambitions and targets, better implementation of existing provisions, better record keeping and data capture and use of technology. Other actions were taking place to bring alternatives to the market including the implementing regulations on microbials.

3) CO2 emissions and decarbonisation: ongoing initiatives and role of f&v production

The Commission presented the recent Communication on Sustainable Carbon Cycles (<https://europa.eu/!6pdNpk>). The Communication sets out a policy roadmap to incentivise carbon removals in the EU, both in the primary sector (agriculture, forestry) and in bioeconomy value chains (bioenergy with carbon capture and storage, use of wood-based construction materials).

The Communication promotes Carbon Farming as a business model that rewards land managers for improved practices resulting in carbon sequestration and in the protection of carbon stocks. The Commission is currently working on a proposal for a regulatory framework for the certification of carbon removals, which is expected to be adopted by the end of 2022.

4) Information on the transposition of EU Directives 2018/815 and 2018/852 and new national rules regarding the packaging of fruit and vegetables

The Commission presented the current revision of the packaging and packaging waste directive (1994/62). The Commission started by explaining that packaging plays a major role in handling, transportation, safety of goods and consumer information. However, its ever-increasing amount of waste is a major concern. Packaging is not only growing, but is less and less easy to recycle, leading to the increase cost and loss of natural resources. Finally, the packaging legislation, which sets out the conditions for packaging to be placed on the EU market, is insufficiently clear as to exact content of these conditions making it difficult for the economic operators and competent authorities to perform inspections and enforce the EU legislation.

In this context the Commission is engaged in reviewing the Packaging and Packaging Waste Directive, to make operational the Green Deal and CEAP 2.0's focus on packaging waste prevention, reuse, design for high quality recycling and the use of recycled content. The Commission is considering measures addressing a definition of recyclable packaging and design for recycling criteria, (mandatory) targets for waste reduction and recycled content for specific plastic packaging categories and a European labelling system for sorting of packaging waste. There will be also further enabling measures, such as mandatory deposit and return system for recycling of plastic bottles and aluminium cans flanked by the minimum requirements for DRS. The Commission

also explained that they were considering bans on plastic packaging for fruits and vegetables.

The Commission is currently finalising the impact assessment and the proposal is planned to be tabled later this year.

Questions of the audience related to the possible restrictions on the use of plastic packaging for fruit and vegetables. The stakeholder noted that a similar measure that France has taken is causing many problems in terms of cost for producers, lack of alternatives, potential food waste increase and discrimination of the F&V sector against other sectors. The Commission explained that the measure would be carefully designed with sufficient transitional period of roll-in and highlighted that this is already happening; many Member States and other economic operators, e.g. retailers, are already introducing such measures. Finally, consumers are increasingly frustrated about buying healthy food, such as F&V wrapped in plastic, in particular bio-produce. The Commission confirmed that a similar measure is being considered under their initiative (Marketing Standards Regulation) and that the transitional period would be up to 2030. It clarified that different MS systems, which we already see being implemented, mean higher cost for producers.

5) Update on the review of the promotion policy

The Commission gave an update on the review of the promotion policy. The Commission announced its intention to review the promotion policy in the Farm to Fork Strategy adopted in May 2020, with the objective to increase the promotion policy's support to sustainable agricultural production and consumption. In relation to meat, the review should focus on how the EU can use the promotion policy to support the most sustainable, carbon-efficient methods of livestock production.

- The review comes on the back of the Policy evaluation that was completed in 2020:

The review builds on a comprehensive policy evaluation carried out in 2020 that examined the policy implementation since 2016. The evaluation found that the policy was effective in meeting the objectives set at the time of the last review. The evaluation is publicly available on: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1859-Evaluation-of-the-EU-agricultural-promotion-policy_en

- Publication of a roadmap for the review with policy options (9 February 2021):

On the 9 February 2021 the Commission published the roadmap for the policy review. This roadmap outlined possible policy options for the upcoming review. The roadmap was open for comments until the 9 March 2021 and 151 comments were submitted. They included a wide diversity of views on which of the three possible options should be pursued. The roadmap and the comments submitted are publicly available on: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12782-EU-farm-and-food-products-review-of-policy-on-promotion-inside-and-outside-the-EU_en

- Online Public consultation between March and June 2021:

An online public consultation on the policy options was carried out for 12 weeks (March to June 2021). The consultation attracted over 7500 responses and recorded different views on the different policy options. Businesses and public authorities are more in

favour of maintaining the current policy framework (Option 1) whereas citizens and civil society organisation support the introduction of new eligibility criteria (Option 3). There is general support to raising awareness for sustainable features of EU agri-food products, commitment to climate change action and animal welfare by EU farmers and the contribution of EU agri-food products to balanced diets and health. There is a consensus on the need for promotion policy to continue supporting sustainably produced products. Yet there are divergent views on whether this can include the promotion of meat products or not. National competent authorities are divided concerning possible changes to the current implementation model. The results of the public consultation are publicly available here: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12782-EU-farm-and-food-products-review-of-policy-on-promotion-inside-and-outside-the-EU/public-consultation_en

- Conference of Stakeholders 12-13 July 2021

The event attracted more than 540 registered participants (amongst experts, civil society representatives, farming organisations, food sector representatives, academia, public authorities, international organisations and governmental representatives) and was live-streamed (reaching over 3000 viewing connections). The information about this conference is publicly available here: https://ec.europa.eu/info/events/promotion-policy-review-conference-2021-jul-12_en

- Other actions:

15 presentations on the promotion policy review were delivered at the different Civil Dialogue Groups of the European Commission and to the Common Markets Organisation Committees (representing the Member States authorities) as a means to stimulate participation in the different consultation activities by impacted stakeholders and public authorities.

- Timeline and next steps:

The Commission is working on the finalisation of the impact assessment (examines impacts of the different policy options) and preparation of the legislative proposal. The legislative proposal will be composed of an Amendment to Regulation 1144/2014 and accompanied by an impact assessment report (SWD). The Commission is working towards presenting legislative proposals by **end of June 2022**; (end of Quarter 2 of 2022). The ordinary legislative process will ensue; with the co-legislators European Parliament and Council. Given the current political context this timeline may be delayed.

6) Update on the revision of the marketing standards

The Commission presented the state of play regarding the ongoing impact assessment for the revision of the marketing standards F&V, Jam and Fruit juice in line with the green deal and the farm to fork strategy. The Commission invited the stakeholders to contribute in writing before the summer.

7) School scheme: outcome of the implementation of last year programme; outlook new school term; public consultation on the review of the scheme

The Commission updated the participants on the implementation of the EU school scheme, by outlining:

- the amendments to the EU school scheme delegated and implementing regulation, based on experience gained, and the derogation to the implementing regulation as regards the rules for on-the-spot checks, linked to COVID;
- EU aid fixed for next school year and adjusted for the ongoing school year in Commission decision (EU) 2022/493;
- the main highlights from the Member States' 2020/2021 monitoring reports, as regards the participating children, distributed quantities, and educational measures carried out.

The Commission also presented ongoing work for the review of the EU school scheme planned in 2023, with regard to

- the ongoing evaluation support study carried out by the external contractor Agrosynergie, planned to be finalised by the end of the year;
- the public consultation to gather stakeholders' views on the performance of the existing scheme and on the problems and options for the reform, which is planned to be launched in May.

d. Transposition of Directive (EU) 2019/633 on unfair trading practices: update

The Commission debriefed on the progress of the transposition of the UTP Directive into national laws by the MS. Nearly all MS (except 2) [notified the full transposition of the Directive](#). In October 2021, the Commission published an [interim report](#) on the state of the transposition of the UTP Directive. The contact details of the designated UTP enforcement authorities in the MS are published [here](#).

The Commission raised the attention to the ongoing public consultation on experience with sustainability agreements derogation from competition rules. In December 2021, the European Parliament and the Council of the EU, as part of the 2023-2027 common agricultural policy reform, adopted a derogation from competition rules for sustainability agreements. This derogation is laid down in Regulation (EU) 2021/2117, which introduces a new Article (Article 210a) to Regulation 1308/2013 (“the CMO Regulation”). The aim of this derogation is to incentivize the agri-food supply chain to contribute towards the achievement of the numerous goals outlined in the EU Green Deal, Farm to Fork and Biodiversity Strategies. It will offer increased possibility for operators to cooperate with the objective of achieving sustainability goals in various areas (environmental objectives, animal health, animal welfare, reduction in the use of pesticides and reduction of the danger of antimicrobial resistance in agricultural production, etc.) provided that any restrictions of competition resulting from such cooperation are indispensable for the achievement of the objective. Due to the novel character of the new derogation, the Commission has been mandated to issue guidelines to provide guidance to stakeholders on the conditions of its applicability by December 2023. As one of the first steps in this process, the Commission would like to hear stakeholders' experience and knowledge of sustainability agreements. The idea is to understand what sustainability agreements exist and/or are envisaged on the field, what restrictions of competition they might lead to and what impacts on the agricultural market they might have. This would help the Commission to prepare guidelines, which are fit for purpose and which would pragmatically address the needs of stakeholders. It would also provide a vast number of examples, which could be included in the guidelines to help

stakeholders' self-assessment whether their agreements are in line with the new derogation. The Commission is gathering this feedback in the form of a questionnaire [published](#) on the Have your say portal. The consultation will remain open until 23 May 2022.

4. Next steps

Publication of the minutes on the Agri Europa website.

5. Next meeting

The next CDG HOS – Fruits and Vegetables meeting is scheduled for 30th September 2022 (to be confirmed).

6. List of participants

Annexed.

(e-signed)

Michael SCANNELL

List of participants
MINUTES OF THE MEETING OF THE CDG HORTICULTURE, OLIVES AND
SPIRITS - FRUIT, VEGETABLES AND FLOWERS SECTOR
on 8 April 2022

ORGANISATIONS
European agri-cooperatives (COGECA)
European Coordination Via Campesina (ECVC)
European farmers (COPA)
FoodDrinkEurope (FoodDrinkEurope)
IFOAM Organics Europe
Pesticide Action Network Europe (PAN Europe)
SACAR - Secrétariat des Associations du Commerce Agricole Réunion / Joint Secretariat of Agricultural Trade Associations (SACAR)

Invited speaker:

<i>INRA – UERI Gotheron & MEANS Platform</i>
--